

VIRGINIA DEPARTMENT OF MINES, MINERALS & ENERGY
VIRGINIA GAS AND OIL BOARD
Minutes of the August 18, 2009 Meeting

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held a hearing commencing at 9 a.m. on Tuesday, August 18, 2009, at the Conference Center, Russell County Office Building, Highland Drive, Lebanon, Virginia.

The following members were present at the hearing: Ms. Nellie K Dye, Mr. Bill Harris, Mr. Bruce Prather, Ms. Mary Quillen (Acting Chair), and Mr. Donnie Ratliff.

Also present were Ms. Sharon Pigeon, Sr. Assistant Attorney General, Mr. David E. Asbury Jr., Principal Executive to the Staff of the Board and Mrs. Diane Davis, Programs Administrator, Division of Gas and Oil.

The board heard and addressed the following items:

1. The Board will receive public comments:
Public comments were received from: (1) Ms. Juanita Sneeuwjagt regarding the management of the Board's escrow account. (2) Ms. Shirley Keene spoke regarding continuing issues relative conflicting claims of the Linkous Horne Heirs and contracts being sent out by CNX gas company, and (3) Ms. Sara Day, also spoke regarding continuing issues relative to conflicting claims of the Linkous Horne Heirs.
2. The Board on its own motion will make final determination in awarding the contract for the Request for Proposal (RFP) for the audit of the Board's escrow account. **This matter was continued to September 2009.**
3. The Board, on its own motion, will address disbursement of funds due owners in various tracts for unit Q-40, CNX Gas Company, which was previously approved by the Board on August 20, 2002. Docket Number VGOB-93-0216-0328-01. **Order approved to pay remaining funds based on the same percentages defined in the prior disbursement.**
4. The Board, on its own motion, will address disbursement of funds remaining in docket VGOB-00-0321-0775, unit N-39, CNX Gas Company. The account was previously disbursed and the account was to be closed. Additional funds have been deposited into the account. Docket Number VGOB-00-0321-0775. **Order approved to pay remaining funds based on the same percentages defined in the prior disbursement.**
5. The Board, on its own motion, will reconsider the disbursement of funds for Tracts 1C, 1D, 1E, 1F and 1G, Unit AZ-110, CNX Gas Company, New Garden District, Russell County, Virginia. Docket Number VGOB-02-0917-1070-02. **The Disbursement Order approved in June by the Board will be revised due to certain errors found in exhibits and testimony presented. The operator will correct and submit a revised disbursement petition during the September meeting.**

6. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 420 VA Unit F-37, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2504. This item was continued from July. **The petition was withdrawn by the operator, Geomet.**
7. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 419 VA Unit F-36, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2505. This item was continued from July. **The petition was withdrawn by the operator, Geomet.**
8. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 418 VA Unit F-35, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2506. This item was continued from July. **The petition was withdrawn by the operator, Geomet.**
9. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 417 VA Unit F-34, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2507. This item was continued from July. **The petition was withdrawn by the operator, Geomet.**
10. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 416 VA Unit F-33, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2508. This item was continued from July. **The petition was withdrawn by the operator, Geomet.**
11. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-199 (F-37), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2517. This item was continued from July. The Board is required to escrow funds for unknowns. **The petition was approved by the Board.**
12. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-241 (F-33), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2518. This item was continued from July. The Board is required to escrow funds for unknowns. **The petition was approved by the Board with the requirement of submission of a revised Exhibit E.**
13. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-237 (F-36) Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2519. This item was continued from July. Revised exhibits were submitted at the hearing. There is no requirement for escrowing. **The petition was approved by the Board with revised Exhibit B to be submitted addressing “leased and unleased” parties.**
14. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-245 (F-35), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2520. This item was continued from July. Revised exhibits B and B3 were submitted. The Board

does not need to establish an escrow account. The petition was approved by the Board with revised Exhibit B to be submitted addressing “leased and unleased” parties.

15. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-243 (F-34), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2521. This item was continued from July. The Board will need to establish an escrow account. Revised exhibits will be submitted. The petition was approved by the Board with revised Exhibit B and Exhibit E to be submitted.
16. A petition from Equitable Production Company for re-pooling of conventional gas unit V-502028, Kenady District, Dickenson County, Virginia. Docket Number VGOB-05-0816-1492-02. This item was continued from July. Revised exhibits were submitted at the time of the hearing. The re-pooling is for the purpose of eliminating tract 16A and combining it with tract 16. The Board does need to establish an escrow account. The petition for re-pooling was approved by the Board.
17. A petition from Range Resources-Pine Mountain, Inc. for the establishment and pooling of conventional gas unit V-530068, Castlewood. District, I Russell County, Virginia. VGOB Docket Number 09-0721-2559. Revised exhibits B and B3 were submitted at the hearing. The Board will need to establish an escrow account. The petition was approved by the Board.
18. A petition from Range Resources-Pine Mountain, Inc. for the establishment and pooling of conventional gas unit V-530122, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2560. A revised plat and Exhibit E were submitted at the hearing. The Board will need to establish an escrow account. The petition was approved by the Board.
19. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional 320 acre horizontal gas unit VH-530195, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2562. The Board is required to establish an escrow account. The petition was approved by the Board.
20. A petition from Range Resources-Pine Mountain, Inc. for pooling of 320 acre conventional horizontal gas unit VH-530185, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2564. Continued from July 2009. The Board is required to establish an escrow account. Revised exhibits B and B3 were submitted at the hearing. The petition was approved by the Board.
21. A petition from Range Resources-Pine Mountain, Inc. for pooling of 320 acre conventional horizontal gas unit VH-530181, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2565. This item was continued from July 2009. The petition was approved by the Board.
22. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530095, Kenady District, Dickenson County, Virginia. Docket Number VGOB-

09-0721-2567. This item was continued from July 2009. The petition was approved by the Board.

23. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-536736, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2568. This item was continued from July 2009. The petition was approved by the Board.
24. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-530192, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2569. This item was continued from July 2009. The petition was approved by the Board.
25. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-536737, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2570. This item was continued from July 2009. The petition was approved by the Board.
26. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-530055, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2571. This item was continued from July 2009. The petition was approved by the Board.
27. A petition from Appalachian Energy, Inc. for modification of the Oakwood 1 Coalbed Gas Field Rule to allow for the drilling of an additional well in units E-38, F-31, G-29, G-38, H-29, H-30, H-31, I-33, J-34 and J-38. Docket Number VGOB-93-0216-0325-19. This item was continued from July 2009. The petition was approved by the Board.
28. A petition from Equitable Production Company for pooling of coalbed methane unit VCI-531370, Ervinton District, Dickenson County. Docket Number VGOB-09-0616-2539. This item was continued from June 2009. The petition was withdrawn by the applicant.
29. A petition from CNX Gas Company LLC for pooling of coalbed methane unit G-105, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0818-2573. The petition was approved by the Board with the revised certified plat correcting unit acreage.
30. A petition from CNX Gas Company LLC for pooling of coalbed methane unit J-78, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-09-0818-2574. The petition was approved by the Board.
31. A petition from CNX Gas Company LLC for pooling of coalbed methane V-52, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-09-0818-2575. The Board is required to establish an escrow account. The petition was approved by the Board.

32. A petition from CNX Gas Company LLC for pooling of coalbed methane BC-90, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0818-2576. The applicant requested and was granted a continuance to September 2009.
33. A petition from CNX Gas Company LLC for pooling of coalbed methane BF-99, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0818-2577. A revised plat is to be submitted. The Board is required to establish an escrow account. The petition was approved by the Board with the submittal of a revised certified plat - Exhibit A.
34. A petition from CNX Gas Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in units AV93 through AV100, AW93 through AW100, AX91 through AX100, AY91 through AV100, AZ91 through AZ100, BA91 through BA100, BB91 through BB100, BC90 through BC100 and BD90 through BD101. Docket Number VGOB-89-0126-0009-56. Approval was granted for this petition with the exclusion of unit AX99.
35. A petition from EQT Production Company for pooling of coalbed methane unit VC-536516, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0818-2578. The petition was approved by the Board.
36. A petition from EQT Production Company for pooling of coalbed methane unit VC-531400, Roberson District, Wise County, Virginia. Docket Number VGOB-09-0818-2579. The petition was approved by the Board.
37. A petition from EQT Production Company for pooling of coalbed methane unit VC-536529, Lipps District, Wise County, Virginia. Docket Number VGOB-09-0818-2580. The petition was approved by the Board with the submission of a revised Exhibit B.
38. A petition from EQT Production Company for pooling of coalbed methane unit VC-535587, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0818/2581. The petition was approved by the Board.
39. A petition from EQT Production Company for pooling of conventional gas unit V-502752, Gladeville District, Wise County, Virginia. Docket Number VGOB-09-0818-2582. The Board granted a continuance, as requested by the applicant, to September 2009.
40. A petition from Carrizo (Marcellus) LLC, for creation of a unit and pooling of conventional unit ENNIS #1, Plains District, Rockingham County, Virginia. Docket Number VGOB-09-08/18-2583. Escrowing is required for unknowns in Tract 16. The petition was approved by the Board.
41. A petition from EQT Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in units AY-42, AY54, BJ34, BJ63, BK49 and BN55. Docket Number VGOB-89-0126-009-57. The petition was approved by the Board.

42. A petition from Range Resources-Pine Mountain, Inc. for re-pooling of coalbed methane unit Watkins #7, Prater District, Buchanan County, Virginia. Docket Number VGOB-05-0621-1470-01. An escrow account has been established. A revised E and a new EE Exhibit will be submitted. The petition to re-pool was approved by the Board with the submittal of new Exhibits E and EE.
43. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well V-530202, Gladeville District, Wise County, Virginia. Docket Number VGOB-09-0818-2584. The petition was approved by the Board. The petition was approved by the Board.
44. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well V-530203, Clintwood District, Dickenson County, Virginia. Docket Number VGOB-09-0818-2585. Applicant requested and was granted a continuance to the September 2009 meeting.
45. A petition from Range Resources-Pine Mountain, Inc. for the establishment of a unit and pooling for well V-530051, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0818-2586. The Board will be required to establish an escrow account. The petition was approved by the Board.

The Board reviewed and approved minutes of the July 21, 2009 hearings.

The meeting was adjourned 4:30 pm.